

## Message Text

LIMITED OFFICIAL USE

PAGE 01 JIDDA 07976 120848Z

12

ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 /018 W

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R 120820Z DEC 76

FM AMEMBASSY JIDDA

TO USDOC WASHDC

AMCONSUL DHAHRAN

INFO SECSTATE WASHDC 6563

LIMITED OFFICIAL USE JIDDA 7976

E.O. 11652: N/A

TAGS: BENC, SA

SUBJECT: SAUDI STEEL COMPLEX

REF (A) USDOC 21211, (B) JIDDA 7966, (C) DHAHRAN 1525

1. GOVERNMENT OFFICIALS, BANKS AND INDUSTRY HERE AND AT RIYADH, REFER TO SUBJECT AS PETROMAR BECAUSE OF ORIGINAL INVOLVEMENT OF PETROMIN AND MARCONA. ORIGINALLY, PETROMIN WAS TO HAVE 50 PERCENT OF THE PROJECT AND A CONSORTIUM CALLED MARSTEEL WAS TO HAVE OTHER 50 PERCENT. LATTER WAS DIVIDED UP AMONG CONSORTIUM MEMBERS AS FOLLOWS: MARCONA/GILMORE 40 PERCENT; ARMCO 20 PERCENT; ESTEL 20 PERCENT; AND NIPPON 20 PERCENT. THE NIPPON INTER-EST WAS SHARED EQUALLY BY NIPPON STEEL AND NIPPON KOKAN. THE LATTER DROPPED OUT OF PROJECT IN 1975 AND ITS SHARE WAS DIVIDED BY ALL EXCEPT ARMCO. MORGAN STANLEY AND FNCFB WERE BIDDING ON THE \$940 MILLION PROJECT (1975 ESTIMATE). SAUDIS WERE TO PROVIDE 90 PERCENT EQUITY WITH 10 PERCENT FROM COMMERCIAL SOURCES. ORIGINAL LABOR FORCE PLAN CALLED FOR 7200 CONSTRUCTION WORKERS. THIS HAS BEEN SCALED DOWN TO 3,000.

2. SOURCE OF INFORMATION: FIRST NATIONAL CITY BANK.  
PORTER

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 DEC 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** blochd0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Film Number:** D760458-0604  
**From:** JIDDA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19761250/aaaabqqp.tel  
**Line Count:** 51  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 JIDDA 7966, 76 DHARHAN 1525  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** blochd0  
**Review Comment:** n/a  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SAUDI STEEL COMPLEX  
**TAGS:** BENC, SA  
**To:** COM DHARHAN  
**Type:** TE  
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